

COMMITTEE: FINANCE

**AN ORDINANCE TO AMEND THE SEWER RATES
AND CHARGES FOR
THE CITY OF EVANSVILLE, INDIANA**

WHEREAS, the City of Evansville, Indiana (the "City"), has heretofore constructed and has in operation a sewage works pursuant to IC 36-9-23 *et seq.* For the purpose of collecting and disposing of, in a sanitary manner, the sewage of the residents and other non-resident users of the sewer utility of the City; and

WHEREAS, the Common Council of the City (the "Council") has previously by ordinance established the existing schedule of user rates and charges for sewer service; and

WHEREAS, the City has employed H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the "Financial Advisor") to prepare a rate report reviewing the sufficiency of such existing rates and charges; and

WHEREAS, the Financial Advisor has prepared and submitted a rate report (the "Rate Report") which concludes that existing rates and charges are insufficient to pay all the legal and other necessary expenses incident to the operation of the utility, including maintenance costs, operating charges, upkeep, repairs, depreciation, including increases in such costs, and the payment of principal and interest on bonds, future bonds or other obligations; and

WHEREAS, pursuant to IC 36-9-23-26, this Council may change or adjust its existing schedule of fees by ordinance after providing notice and conducting a public hearing; and

WHEREAS, IC 36-9-23-25 authorizes this Council to adopt by ordinance a just and equitable schedule of fees for sewer services rendered by the City's sewage works; and

WHEREAS, IC 36-9-23-25 authorizes this Council to exercise reasonable discretion in adopting different schedules of fees, or making classifications in schedules of fees, based upon variations in the costs, including capital expenditures, of furnishing services to various classes of users or to various locations, or the number of users in various locations; and

WHEREAS, because of and based upon such cost increases, it is just, equitable, and reasonable to amend the existing schedules of fees herein for users of the sewer system; and

WHEREAS, the City of Evansville has prior to March 31, 2012 previously adopted different rates for outside city users compared to inside City users and has received approval of the rate differential from the Indiana Utility Regulatory Commission ("IURC") pursuant to IC 8-1.5-3-8.3(c) on September 25, 2012 (appeal therefrom dismissed in Cause No. 44260); and

WHEREAS, the differential between outside city rates and inside city rates for all users except for the Town of Darmstadt and except for flow greater than 3,000,000 gallons per month in the City's existing rate schedule is approximately 35%; and

WHEREAS, the differential in the schedule of rates adopted hereby between outside city rates and inside city rates for all users (except the Town of Darmstadt) and all flow up to 3,000,000 gallons per month is approximately 35% and the differential for industrial customers volumetric flow over 3,000,000 gallons per month is approximately 14.0%; and

WHEREAS, the schedule of rates adopted herein does not impose rates and charges on users of the works located outside the City that exceed the rates and charges imposed on users of the works located within the City by more than the percentage set forth in I.C. 8-1.5-3-8.3(d); and

WHEREAS, the Clerk of the City has given notice of the public hearing on proposed rates as provided for in the Act; and

WHEREAS, the public hearing was held before this Council on the date hereof, at which time testimony from interested persons was received, after introduction of this ordinance and as provided to in the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF EVANSVILLE, INDIANA:

SECTION 1. The Council hereby finds and determines that, based upon the Rate Report, the existing rates and charges are insufficient to pay all the legal and other necessary expenses incident to the operation of the utility, including maintenance costs, operating charges, upkeep, repairs, depreciation, including increases in such costs, and the payment of principal and interest on bonds, future bonds or other obligations.

SECTION 2. The Council finds and determines that the proposed rates and charges as set forth in the Rate Report are just and equitable and therefore should be adopted.

SECTION 3. The Council finds and determines that the proposed rates set forth on the document attached hereto as Exhibit A should be adopted.

SECTION 4. Sub-Section 13.05.280 (B) (1) of the Evansville Municipal Code is hereby amended to by deleting and replacing the phrase in the first sentence “the City shall cause a study to be made no less than biennially” and substituting it with the following language, “the City shall cause a study to be conducted no later than October 1 of any year prior to any subsequent change to the sewer rates”.

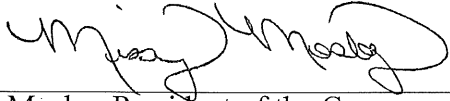
SECTION 5. Sub-Section 13.05.280 (B) (2) of the Evansville Municipal Code is hereby amended by deleting and replacing the phrase “on or before December 31st of every other calendar year” and substituting it with the following language, “on or before October 1st of any year prior to any subsequent change to the sewer rates”.

SECTION 6. Sub-Section 13.05.280 (C) (1) of the Evansville Municipal Code is hereby further amended to reflect the rates, charges and effective dates adopted by this Ordinance as shown on the document attached hereto as Exhibit A by (a) deleting the words “Exhibit A” and inserting the remainder of the document immediately after Sub-Section 13.05.280 (C) (1).

SECTION 7. Section 13.05.320 is hereby amended by deleting the introductory phrase “Before September 1st and every three years thereafter” and substituting the phrase “No later than October 1 of any year prior to any subsequent change to the sewer rates”.

SECTION 8. This Ordinance shall be in effect on and after its date of passage. For bills rendered on and after January 1, 2017, the rate shall be as shown on Exhibit A for Phase I rates. For bills rendered on and after January 1, 2018, the rate shall be as shown on Exhibit A for Phase II rates. For bills rendered on and after January 1, 2019, the rate shall be as shown on Exhibit A for Phase III rates. For bills rendered on or after January 1, 2020 the rate shall be as shown on Exhibit A for Phase IV rates.

Passed and adopted by the Common Council of the City of Evansville on the 24 day of October, 2016, and on said day signed by the President of the Common Council and attested by the City Clerk.



Missy Mosby, President of the Common Council,
City of Evansville, Indiana

ATTEST: Laura Windhorst
Laura Windhorst, City Clerk
City of Evansville, Indiana

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to the Mayor of said city, this 26 day of October, 2016, at 3 o'clock P.m. for his consideration and action thereon.

Laura Windhorst
Laura Windhorst, City Clerk
City of Evansville, Indiana

Having examined the foregoing ordinance, I do now, as Mayor of the City of Evansville, Indiana, approve said Ordinance and return the same to the City Clerk this 27th day of October, 2016, at 9:45 o'clock A.m.



Lloyd Winnecke, Mayor
City of Evansville, Indiana

APPROVED AS TO FORM
BY TED C. ZIEMER, JR., CORPORATE COUNSEL

SUMMARY OF PRESENT AND PROPOSED RATES AND CHARGES – INSIDE CITY
(4 Year Phase-In)

INSIDE CITY	<u>Proposed Rates</u>				
	<u>Present</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>	<u>Phase IV</u>
Effective Date	<u>Rates (1)</u>				
Base Charge (Per Month)	01/01/2016	01/01/17	01/01/18	01/01/19	01/01/20
<u>Meter Size:</u>					
5/8 inch meter	\$8.40	\$6.95	\$7.95	\$9.00	\$9.55
1 inch meter	15.30	12.60	14.40	16.30	17.35
1 ½ inch meter	30.50	25.10	28.65	32.40	34.55
2 inch meter	49.80	40.90	46.65	52.75	56.35
3 inch meter	109.60	89.95	102.55	115.90	123.95
4 inch meter	187.80	154.10	175.70	198.55	212.35
6 inch meter	422.40	346.55	395.10	446.50	477.55
8 inch meter	749.00	614.50	700.55	791.65	846.75
10 inch meter	1,167.60	957.90	1,092.05	1,234.05	1,319.95
Volumetric Rate (Per 1,000 Gallons) – COS Rates (Per Month)					
Residential and Commercial	\$7.32	\$7.37	\$8.40	\$9.49	\$10.16
Industrial	4.20	4.83	5.51	6.23	6.66
Public Authority	4.37	5.23	5.96	6.73	7.21
Volumetric Rate (Per 1,000 Gallons) – EPA Consent Decree Rates (Per Month)					
Residential and Commercial	\$2.01	\$3.62	\$4.13	\$4.67	\$4.99
Industrial	1.94	3.73	4.25	4.80	5.14
Public Authority	1.90	3.37	3.84	4.34	4.65
Property Not Using Water (Per Month) (2)					
Unmetered user (assumes 8,000 gals.)	\$83.04	\$94.87	\$108.19	\$122.28	\$130.75
Unmetered user – Reduced Rate (assumes 4,000 gals.)	45.72	50.91	58.07	65.64	70.15
Excessive Strength Surcharges					
(Per loading in excess of 200mg/l) (Per Month)					
Biochemical Oxygen Demand (BOD)	\$0.37	\$0.37	\$0.37	\$0.37	\$0.37
Suspended Solids (SS)	0.47	0.35	0.35	0.35	0.35

- (1) Present rates and charges were approved by the Common Council on October 28, 2013 pursuant to Ordinance F-2013-14
- (2) In the event a lot, parcel or real estate, or building which is connected with, using, served by, or benefiting from sanitary service is not served by the City's Waterworks, and water used thereon or therein is not measure by City water of a City meter acceptable to the City. A discounted rate is available to property that is owner-occupied residential, and not more than two persons reside thereon or therein, and a properly executed affidavit is on file with the utility.

SUMMARY OF PRESENT AND PROPOSED RATES AND CHARGES – OUTSIDE CITY
(4 Year Phase-In)

OUTSIDE CITY	<u>Present</u> <u>Rates (1)</u>	<u>Phase I</u>	<u>Proposed Rates</u>		<u>Phase IV</u>
Effective Date	01/01/2016	01/01/17	Phase II 01/01/18	Phase III 01/01/19	01/01/20
Base Charge (Per Month)					
<u>Meter Size:</u>					
5/8 inch meter	\$11.30	\$9.35	\$10.70	\$12.10	\$12.90
1 inch meter	20.65	17.00	19.40	21.95	23.40
1 ½ inch meter	41.15	33.85	38.60	43.65	46.65
2 inch meter	67.25	55.25	63.00	71.20	76.10
3 inch meter	147.95	121.45	138.50	156.55	167.35
4 inch meter	253.55	208.05	237.20	268.05	286.70
6 inch meter	570.25	467.85	533.35	602.70	644.70
8 inch meter	1,011.15	829.55	945.70	1,068.65	1,143.10
10 inch meter	1,576.25	1,293.15	1,474.20	1,665.85	1,781.95
Volumetric Rate (Per 1,000 Gallons) – COS Rates (Per Month)					
Residential and Commercial	\$9.88	\$9.95	\$11.34	\$12.81	\$13.71
Industrial (up to 3,000,000 gallons per month)	5.67	6.52	7.43	8.40	8.99
Industrial (over 3,000,000 gallons per month)	4.80	5.51	6.28	7.10	7.59
Public Authority (2)	5.90	7.06	8.05	9.10	9.73
Volumetric Rate (Per 1,000 Gallons) – EPA Consent Decree Rates (Per Month)					
Residential and Commercial	\$2.70	\$4.89	\$5.57	\$6.29	\$6.74
Industrial (up to 3,000,000 gallons per month)	2.62	5.04	5.75	6.50	6.94
Industrial (over 3,000,000 gallons per month)	2.22	4.25	4.85	5.48	5.86
Public Authority (2)	2.57	4.56	5.20	5.88	6.28
Property Not Using Water (Per Month) (Per Month) (3)					
Unmetered user (assumes 8,000 gals.)	\$112.02	\$128.07	\$145.98	\$164.90	\$176.50
Unmetered user – Reduced Rate (assumes 4,000 gals.)	61.66	68.71	78.34	88.50	94.70
Excessive Strength Surcharges (Per loading in excess of 200mg/l) (Per Month)					
Biochemical Oxygen Demand (BOD)	\$.50	\$0.50	\$0.50	\$0.50	\$0.50
Suspended Solids (SS)	.64	0.47	0.47	0.47	0.47

- (1) Present rates and charges were approved by the Common Council on October 28, 2013 pursuant to Ordinance F-2013-14
- (2) Effective January 1, 2013 the Town of Darmstadt receives a 30% reduction from the Outside City Public Authority's rates and Base Charges.
- (3) In the event a lot, parcel or real estate, or building which is connected with, using, served by, or benefiting from sanitary service is not served by the City's Waterworks, and water used thereon or therein is not measure by City water of a City meter acceptable to the City. A discounted rate is available to property that is owner-occupied residential, and not more than two persons reside thereon or therein, and a properly executed affidavit is on file with the utility.